



June 24, 2011

The Honorable Mike Kowall
Committee Chair, Michigan State Senate Economic Development Committee
Michigan State Senate
305 Capitol Building
Lansing, Michigan 48933

Dear Mr. Kowall:

Perrigo Company supports House Bill 4563, which if enacted will exempt "business-to-business" transactions from the Michigan Unclaimed Property Act. Simply stated, we believe that absent the proposed amendment that is the subject of this bill, the Unclaimed Property Act will unnecessarily burden Michigan companies and inhibit job growth. Needless to say, this is just the opposite of what Michigan needs to do at this time, which is why the House of Representatives overwhelmingly supported this bill by a vote of 108-1.

In case you don't know who Perrigo is, we were founded 124 years ago in Allegan, Michigan, where we still maintain our global headquarters today. Our mission is to provide "quality, affordable healthcare" and we do so through our unique offering of store brand pharmaceutical and infant nutrition products in the over-the-counter, or "OTC" market. Perrigo is sometimes referred to as "the largest healthcare company you've never heard of," but most Americans have at least some of our products in their medicine cabinet. Each year, we produce over 44 billion tablets and over 350 million liquid doses. Put another way, this means that every second of every day, 1,400 Perrigo tablets are being purchased by American consumers. Moreover, we manufacture a great deal of these products right here in Michigan. In fact, we have benchmarked our labor and plant efficiencies against competitors in so-called "low cost" countries like India and China and we still believe that our plants in Michigan can compete with anyone, all while maintaining high product quality under American standards.

Over the last several years, we have seen enormous growth in the demand for our products. In just the last six years, we have seen our annual revenue grow from \$1 billion to nearly \$3 billion. Today, we employ over 8,000 people globally, with more than 5,000 employees in the US and over 3,500 of them in Michigan. Through the success of our business model and acquisitions, our total U.S. employment has grown 57% over the last 6 years. Perrigo's growing global footprint has increased the need for many well compensated scientific, managerial and other white collar roles at our global headquarters in Michigan.

With that brief background of our business, we would like to turn to the issue at hand, the impact of including business to business transactions in the Unclaimed Property Act. As you know, under the Unclaimed Property Act, many types of tangible and intangible property held by an entity other than the owner are presumed abandoned if they remain unclaimed or dormant after a period of three years. Some of the most common types of property include:

- bank accounts;
- uncashed employee's checks;
- safe deposit box contents; and
- insurance proceeds;

The property is presumed abandoned must be remitted to the state.

Perrigo Company supports the overall objectives of the Unclaimed Property Act, which is to return property to its rightful owner. However, the Act in its present form goes well beyond its intended purpose and, when applied to businesses such as Perrigo, can and most likely will result in a very burdensome process that will essentially amount to a backdoor tax on businesses. As a life science company, Perrigo is engaged in hundreds of thousands of complicated pricing transactions where customers have access to numerous discounts and credits. To subject all of these transactions to audit under the Unclaimed Property Act, would be enormously burdensome, time consuming and inefficient.

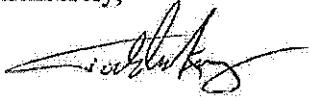
Not only is the audit process burdensome, but it unnecessarily duplicates work that businesses are already doing on their own behalf. For example, as a world leader in the manufacturing and distribution of quality affordable healthcare products, Perrigo has business relationships with virtually every major retailer throughout the country. As such, we process hundreds of thousands of transactions with these vendors on a yearly basis. This includes businesses such as Wal-Mart, Walgreens, CVS, Meijer and other similar retailers. If they have money due and owing to them, we can assure you they know how to contact Perrigo to seek those dollars.

We think it is important to note that Meijer and Spartan Stores, both of which carry Perrigo's products, join Perrigo in supporting this amendment because they understand that they are capable of protecting their own interests vis a vis the Perrigo's of the world and that the State's involvement only adds costs to both sides of the transaction that is ultimately either passed on to the consumer or comes at the expense of value added investments.

For these reasons, given the pendency of such an audit at Perrigo and based on the experience of other companies in Michigan, and especially other life science companies outside of Michigan in states with similar legislation, Perrigo supports the proposed amendment. Absent this amendment, Perrigo and many companies like us will be forced to invest crucial and limited dollars in personnel doing back office support work as opposed to investing in research and

development needed to develop quality, affordable healthcare products for people in Michigan and throughout the world.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Todd W. Kingma', with a stylized flourish at the end.

Todd W. Kingma
Executive Vice President, Secretary and General Counsel
Perrigo Company

Cc: Senator Judy Emmons
Senator Goeff Hansen
Senator Dave Hildenbrand
Senator Tupac A. Hunter
Senator Mike Nofs
Senator Virgil Smith